

Message Text

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C O N F I D E N T I A L MOSCOW 2023

EO 11652: GDS
TAGS: ESTC EEWT FR SU
SUBJECT: FRANCO-SOVIET TRADE RELATIONS

REF: PARIS 2073

1. DURING FEBRUARY 10 MEETING OF WESTERN COMMERCIAL COUNSELORS (EC AND US), FRENCH COMMERCIAL COUNSELOR LABIDE - FRESHLY RETURNED FROM FRANCE - GAVE RUNDOWN ON FRANCO-SOVIET TRADE RELATIONS WHICH CONTAINED SOME, BUT FAR FROM ALL, OF THE DATE IN PARIS'S EXCELLENT SUMMARY TELEGRAM (REFTEL).

2. LABIDE, IN CONFIRMING THAT BREZHNEV VISIT WAS LIKELY TO BE IN LATE JUNE (BUT NO FIRM DATE YET SET), SAID THAT FRENCH ANTICIPATE USSR WILL TRY TO EXHAUST CURRENT FRENCH LINE OF CREDIT IN FIRST HALF OF 1977. LINE HAS BEEN DRAWN TWO-THIRDS DOWN AT PRESENT. PURPOSE OF USING REMAINDER, IN FRENCH VIEW, WOULD BE TO PERMIT BREZHNEV TO ASK FOR A NEW LINE WHICH WOULD INCLUDE "SPECIAL" RATES FOR SOME PROJECTS WITHIN THE FRAMEWORK OF A GENERAL INTEREST RATE. LABIDE SAID THAT FRENCH ASSUME SOVIETS WILL WANT TO HAVE THE SAME GENERAL INTEREST RATE AS THE PRESENT ONE, WHICH WAS ESTABLISHED UNDER MORE FAVORABLE
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CONDITIONS THAN NOW EXIST.

3. WITH REFERENCE TO ONE HUNDRED PERCENT COMPENSATION PROVISIONS WHICH HELPED FRENCH WIN VALUABLE EXPORT CONTRACTS AROUND END OF YEAR CITED REFTL, LABIDE SAID FRENCH WERE SURPRISED TO FIND THEMSELVES DEALING IN RECENT "PETITE COMMISSION" MEETING IN FRANCE WITH VLADIMIR SUSHKOV, (THE SOVIET DEPUTY MINISTER

OF FOREIGN TRADE WHO SPECIALIZES IN COMPENSATION PROJECTS),
RATHER THAN THE MORE FAMILIAR NIKOLAY KOMAROV. SUSHKOV HAD
PRESSED VERY HARD FOR SPECIFIC BLESSING FOR COMPENSATION
PROJECTS IN JOINT COMMUNIQUE. HE HAD NOT, HOWEVER, BEEN
WILLING TO DISCUSS "NEW METHODS" OF COMPENSATION. ACCORDING
TO LABIDE, THE FRENCH EXPECT THE SOVIETS TO BRING UP THE
"NEW METHODS" IMMEDIATELY PRIOR TO THE BREZHNEV VISIT.

4. LABIDE DENIED GERMAN ECONOMIC MINISTER'S SUGGESTION THAT
FRENCH WOULD BE GETTING SOVIET OIL AS COMPENSATION AT LESS THAN
OPEC PRICES. HE SAID THAT THE ACTUAL PRICES HAVE NOT YET BEEN
AGREED BUT THAT THEY WOULD BE "MARKET PRICES."

5. COMMENT: ALTHOUGH THE FRENCH HAVE NOT BEEN NEARLY AS
SUCCESSFUL AS GERMANS IN SELLING OF SOVIET MARKET, THE NEWLY
INTENSIFIED SOVIET STRESS ON COMPENSATION PROJECTS AND THE
POSSIBLY GREATER FRENCH WILLINGNESS TO DATE TO ENTER INTO
THESE ARRANGEMENTS WILL INCREASE THE PRESSURE ON THE GERMANS
TO DO THE SAME.
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